Ho Tack Sien & Ors v Rotta Research Laboratorium SpA & Anor (Registrar of Trade Marks, intervener)

FEDERAL COURT (PUTRAJAYA) — CIVIL APPEAL NOS 02-7-03 OF 2013(W) AND 02-13-04 OF 2013(W)
ZULKEFLI CJ (MALAYA), RICHARD MALANJUM CJ (SABAH AND SARAWAK), ABDULL HAMID EMBONG, HASAN LAH, AND MOHAMED APANDI FCJJ
7 APRIL 2015

Trade Marks — Registered trademark — Expungement — Order to expunge mark from register — Whether order wrongly made — High Court ordered expungement of offending mark from register after finding plaintiff's claims of infringement and passing-off were made out — Whether court should have heard evidence of Registrar of Trademarks before ordering expungement — Whether registrar should have been made a party to the suit — Whether fact that registrar had allowed offending mark to be registered after commencement of plaintiff's suit meant defendant's mark was not deceptively similar or likely to cause confusion — Whether registration prima facie evidence of validity of defendants' mark — Trade Marks Act 1976 ss 35(1), 40(1)(f) & 62

Rotta Research Lobaratorium SpA and Antah Pharma Sdn Bhd ('plaintiffs') were, respectively the manufacturers and distributors of a drug called Viartril-S used in the treatment of osteoarthritis. The Viartril-S trademark was registered in Malaysia in 1976. The plaintiffs sued, inter alia, the appellants in Appeal No 7-03 of 2013 and the fourth respondent in Appeal No 13-04 of 2013 herein (collectively referred to as 'defendants') for infringement of their intellectual property rights in Viartril-S by making, distributing and selling a product called Artril-250 which contained the same drug in Viartril-S but which was packaged for sale in a get-up deceptively similar to the plaintiffs' mark. The High Court upheld the plaintiffs' claim and found that, phonetically and visually, both the marks were confusingly similar. The trial court held, inter alia, that there was passing-off by the defendants of the plaintiffs' product and misrepresentation by the defendants and that the plaintiffs had suffered damage to their goodwill and reputation as a result. In granting the various reliefs sought by the plaintiffs in the suit, the trial judge ordered the Artril-250 mark, which was registered in 2002, to be expunged from the register of trademarks. On appeal against the High Court's decision, the Court of Appeal ('COA') affirmed the trial judge's findings of facts on infringement and passing-off. The COA, however, held the High Court should not have ordered the expungement of the defendants' mark because (a) the defendants' mark was registrable under s 10 of the Trade Marks Act 1976 ('TMA') which did not prohibit the registration of two or more marks which were identical or so nearly

resembling each other (b) the Registrar of Trademarks ('registrar') had discretion under s 19(3) of the TMA to refuse registration but because he allowed the defendants' mark to be registered, the registration was prima facie evidence of the validity of the defendants' trademark especially under s 40(1)(f) of the TMA, and (c) the trial court should have received the evidence of the registrar under s 62 of the TMA before deciding to order the expungement of the defendants' mark. In the instant appeal against the COA's decision, the defendants contended that because the registrar approved their application to register the Artril-250 mark after the commencement of the plaintiff's suit, this meant the mark was not deceptively similar to the plaintiffs' mark or was likely to cause confusion and therefore plaintiff's claims should not have succeeded; that the plaintiffs' failure to call the registrar as a key witness to testify at the trial was fatal and amounted to an admission that the registration of the defendants' mark was validly made. The defendants beseeched the Federal Court to interfere with the findings of fact of the trial judge on the ground there was no, or insufficient, judicial appreciation of material evidence and that the said findings did not accord well with the probabilities of the case.

Held, allowing the plaintiffs' appeal, dismissing the defendants' appeal and setting aside the COA's order that the defendants' mark was registrable under s 10 of the TMA:

(1) The evidence of the registrar was not material to proving the trademark infringement on the basis he was the key witness to establishing likelihood of confusion. The approach adopted by the COA in holding that the registrar should have been made a party or have been heard in evidence before a rectification to the register was made did not accord with the statutory provisions under the TMA or its regulations. Such an approach placed the registrar in an invidious position of participating in the proceedings in favour of one side or the other and it destroyed the neutrality of his office. Even if the registrar gave evidence, it was ultimately for the court to decide whether there was real likelihood of confusion/deception (see paras 1(1) & 28–29).

(2) There was no pre-requisite that the registrar or the Intellectual Property Corporation of Malaysia (MYIPO) should be named as a party in the writ or statement of claim in an application to expunge or rectify the register of trademarks. No statutory provision required the registrar to be made a party and there was no necessity to make him one when there was no cause of action against him. The removal or expungement of a trademark from the register was not dependent on s 62(1) of the TMA. That section allowed the court to call the registrar if it required his assistance. It also gave the registrar a right to appear if he wished to do so. Section 62 of the TMA could not be read to mean the registrar ought to be made a party to the action (see paras 1(2), 24 & 26).

(3) Neither the court nor the registrar had discretion to allow a mark wrongfully registered to continue to remain on the register. Once the grounds for revocation or removal of a mark had been made out, the mark had to be expunged from the register. It was not the registrar's duty to refer any matter to the court. If there was a dispute as to identical marks, then it was for the registered owner of the aggrieved mark to bring an action to resolve the dispute (see para 25).

(4) The COA's finding that once a mark was registered it was prima facie a valid trademark was a rebuttable presumption. Once there was evidence to show the registered mark was invalid and should not have been registered in the first place, the natural remedy was to remove the invalid mark from the register. Registration was not a defence to trademarks wrongfully entered on the register (see para 27).

(5) Section 40(1)(f) of the TMA only applied to a right to use a mark that was duly registered under that Act. It was therefore tied to s 35(1) of the TMA which governed the rights given by registration. The defence under s 40(1)(f) must necessarily be subject to s 35(1) and other provisions of the TMA. The defendants could use the registered trademark only if it was validly registered. If it were otherwise, s 40(1)(f) could override registration of trademarks obtained by fraud under s 37(a) or a trademark obtained contrary to law under s 14(1)(a) of the Act and thus provide a valid defence thereof. This could not be the intention of the Legislature (see paras 40–41).

(6) The defendants could not be allowed to challenge and reverse the findings of fact made by the trial judge and affirmed by the COA in respect of the infringement of the plaintiffs' trademark and the passing-off by the defendants of the plaintiffs' product as that would result in a complete re-hearing of the appeal on those issues and disregard the provisions of s 96(a) of the Courts of Judicature Act 1964 when leave to appeal to the Federal Court was granted. The defendants had to confine their arguments to the questions of law posed to the court when leave to appeal was granted. It was the answers to those questions which must have the effect of reversing the conclusions made by the COA and not by a review of the concurrent findings of facts made earlier on (see paras 21–22).

[Bahasa Malaysia summary

Rotta Research Laboratorium SpA dan Antah Pharma Sdn Bhd ('plaintif-plaintif') adalah masing-masing, pembuat dan pengedar ubat yang dipanggil Viartril-S yang digunakan dalam rawatan osteoarthritis. Cap dagang Viartril-S didaftar di Malaysia pada tahun 1976. Plaintif-plaintif telah menyaman, antara lain, perayu-perayu dalam Rayuan No 7-03 Tahun 2013 dan responden keempat dalam Rayuan No 13–04 Tahun 2013 di sini (secara

kolektif dirujuk sebagai 'defendan-defendan') kerana melanggar hak harta intelektual mereka dalam Viartril-S dengan membuat, mengedar dan menjual suatu produk Artril-250 yang mengandungi dadah sama dalam Viartril-S tetapi telah dibungkus untuk jualan dalam penampilan yang mengelirukan dan hampir sama dengan cap dagangan plaintif-plaintif. Mahkamah Tinggi telah mengekalkan tuntutan plaintif-plaintif dan mendapati bahawa, secara fonetikal dan visual, kedua-dua cap dagangan tersebut mengelirukan dan hampir serupa. Mahkamah perbicaraan memutuskan, antara lain, bahawa terdapat kelirupaan oleh defendan-defendan tentang produk plaintif-plaintif dan salah tanggap oleh defendan-defendan dan bahawa plaintif-plaintif mengalami kerosakan terhadap nama baik dan reputasi mereka akibat daripada itu. Dalam memberikan pelbagai relief yang dipohon oleh plaintif-plaintif dalam guaman, hakim perbicaraan telah memerintahkan cap dagangan Artril-250, yang didaftarkan pada tahun 2002, dikeluarkan daripada daftar cap dagang. Berdasarkan rayuan terhadap keputusan Mahkamah Tinggi, Mahkamah Rayuan ('MR') mengesahkan penemuan fakta hakim perbicaraan berhubung pelanggaran dan kelirupaan. MR, walau bagaimanapun, telah memutuskan bahawa Mahkamah Tinggi tidak patut memerintahkan pemotongan cap dagangan defendan-defendan kerana: (a) cap dagangan defendan-defendan boleh didaftarkan di bawah s 10 Akta Cap Dagangan 1976 ('ACD') yang tidak melarang pendaftaran dua atau lebih cap dagangan yang sama atau hampir sama antara satu sama lain; (b) daftar cap dagang itu ('daftar') mempunyai budi bicara di bawah s 19(3) ACD untuk menolak pendaftaran tetapi oleh kerana beliau telah membenarkan cap dagangan defendan-defendan didaftarkan, pendaftaran itu adalah keterangan prima facie kesahan cap dangan defendan-defendan terutamanya s 40(1)(f) ACD; dan (c) mahkamah perbicaraan sepatutnya menerima keterangan pendaftar itu di bawah s 62 ACD sebelum memutuskan untuk perintah pemotongan cap dagangan defendan-defendan itu. Dalam rayuan ini terhadap keputusan MR, defendan-defendan berhujah bahawa oleh kerana pendaftar itu telah meluluskan permohonan mereka untuk mendaftar cap dagangan Artril-250 selepas guaman plaintif bermula, ini bermaksud cap dagangan itu bukan sama dan mengelirukan dengan cap dagangan plaintif-plaintif atau berkemungkinan menyebabkan kekeliruan dan oleh itu tuntutan plaintif-plaintif tidak boleh berjaya; bahawa kegagalan plaintif-plaintif untuk memanggil pendaftar sebagai saksi utama untuk memberi keterangan dalam perbicaraan adalah memudaratkan dan membentuk satu pengakuan bahawa pendaftaran cap dagangan defendan-defendan telah dibuat secara sah. Defendan-defendan telah memohon agar Mahkamah Persekutuan campur tangan dengan penemuan fakta hakim perbicaraan atas alasan tidak terdapat, atau tidak mencukupi, pemahaman kehakiman berhubung keterangan penting itu dan bahawa penemuan tersebut tidak selaras dengan kebarangkalian kes.

Diputuskan, membenarkan rayuan plaintif-plaintif, menolak rayuan

defendan-defendan dan mengetepikan perintah MR bahawa cap dagangan defendan-defendan boleh didaftarkan di bawah s 10 ACD:

(1) Keterangan pendaftar tidak penting bagi membuktikan pelanggaran cap danganan atas asas dia adalah saksi utama untuk membuktikan kebarangkalian kekeliruan. Pendekatan yang digunapakai oleh MR dalam memutuskan bahawa pendaftar patut dijadikan pihak atau didengar dalam keterangan sebelum pembetulan kepada daftar dibuat tidak selaras dengan peruntukan-peruntukan statutori di bawah ACD atau peraturan-peraturannya. Pendekatan sedemikian meletakkan pendaftar dalam kedudukan yang tidak menyenangkan kerana terlibat dalam prosiding yang menyebelahi satu pihak atau yang lain dan ia memusnahkan keberkecualian jawatannya. Jikapun pendaftar memberi keterangan, ia akhirnya adalah untuk mahkamah memutuskan sama ada terdapat kebarangkalian sebenar kekeliruan/penipuan (lihat perenggan 1(1) & 28–29).

(2) Tiada pra-syarat bahawa pendaftar atau Perbadanan Hak Intelektual Malaysia (MyIPO) hendaklah dinamakan sebagai satu pihak dalam writ atau penyataan tuntutan dalam permohonan untuk mengeluar atau membetulkan daftar cap dagangan. Tiada peruntukan statutori yang menghendaki pendaftar dijadikan satu pihak dan tiada keperluan untuk menjadikannya satu apabila tidak ada kausa tindakan terhadapnya. Pembatalan atau pemotongan cap dangan daripada daftar tidak bergantung kepada s 62(1) ACD. Seksyen tersebut membenarkan mahkamah untuk memanggil pendaftar jika ia memerlukan bantuannya. Ia juga memberikan pendaftar hak untuk hadir jika dia ingin berbuat demikian. Seksyen 62 ACD tidak boleh dibaca untuk bermaksud pendaftar patut dijadikan satu pihak kepada tindakan itu (lihat perenggan 1(2), 24 & 26).

(3) Mahkamah mahupun pendaftar tidak mempunyai budi bicara untuk membenarkan suatu cap dagangan yang secara salah didaftarkan untuk terus kekal dalam daftar. Setelah alasan-alasan untuk pembatalan atau pemotongan cap dagangan itu diputuskan, cap dagangan itu perlu dikeluarkan daripada daftar itu. Ia bukan kewajipan pendaftar untuk merujuk apa-apa perkara kepada mahkamah. Jika terdapat pertikaian berhubung cap-cap dagangan yang sama, maka ia adalah untuk pemilik berdaftar cap dagangan yang terkilan itu memulakan tindakan bagi menyelesaikan pertikaian tersebut (lihat perenggan 25).

(4) Penemuan MR bahawa selepas suatu cap dagangan itu didaftarkan adalah prima facie cap dagangan yang sah merupakan anggapan yang boleh dipatahkan. Setelah terdapat keterangan untuk menunjukkan cap dagangan berdaftar itu tidak sah dan tidak patut didaftarkan pada mulanya, remedi semula jadi adalah untuk mengeluarkan cap dagangan tidak sah itu daripada daftar. Pendaftaran bukan pembelaan untuk

cap-cap dagangan yang telah dimasukkan secara salah atas daftar (lihat perenggan 27).

(5) Seksyen 40(1)(f) ACD hanya terpakai kepada hak untuk menggunakan cap dagangan yang telahpun didaftarkan di bawah Akta tersebut. Oleh itu ia terikat dengan s 35(1) ACD yang mengawal hak-hak yang diberikan melalui pendaftaran. Pembelaan di bawah s 40(1)(f) perlu tertakluk kepada s 35(1) dan peruntukan lain ACD. Defendan-defendan boleh menggunakan cap dagang berdaftar hanya jika ia telah didaftarkan secara sah. Jika sebaliknya, s 40(1)(f) boleh mengatasi pendaftaran cap-cap dagangan yang diperoleh secara fraud di bawah s 37(a) atau cap dagang yang diperoleh bertentangan dengan undang-undang di bawah s 14(1)(a) Akta tersebut dan oleh itu memperuntukkan pembelaan yang sah. Ini tidak mungkin niat badan perundangan (lihat perenggan 40–41).

(6) Defendan-defendan tidak boleh dibenarkan mencabar dan mengakas penemuan fakta yang dibuat oleh hakim perbicaraan dan disahkan oleh MR berkaitan pelanggaran cap dagang plaintif-plaintif dan kelirupaan oleh defendan-defendan berhubung produk plaintif-plaintif kerana ia akan menyebabkan perbicaraan semula rayuan itu atas isu-isu tersebut dan tidak mengendahkan peruntukan s 96(a) Akta Mahkamah Kehakiman 1964 apabila kebenaran untuk merayu ke Mahkamah Persekutuan diberikan. Defendan-defendan telah menghad hujah mereka kepada persoalan undang-undang yang dikemukakan kepada mahkamah apabila kebenaran untuk merayu itu diberikan. Ia adalah jawapan kepada persoalan tersebut yang harus mempunyai kesan mengakas kesimpulan yang dibuat oleh MR dan bukan oleh semakan penemuan fakta yang sejajar telah dibuat sebelum itu (lihat perenggan 21–22).]

Notes

For cases on expungement, see 12(2) *Mallal's Digest* (4th Ed, 2013 Reissue) paras 2578–2610.

Cases referred to

AG Varadarajulu & Anor v State of Tamil Nadu & Ors AIR 1998 SC 1388, SC (refd)

Bacardi Trade Mark [1965] RPC 28, Ch D (refd)

Berlei (UK) Ltd v Bali Brassiere Co Inc [1970] RPC 469, Ch D (refd)

Dunn's Trade Mark (1890) 7 RPC 311 (refd)

Eastman Photographic Materials Company, Ltd, The & Anor v The John Griffiths Cycle Corporation, Ltd and the Kodak Cycle Company, Ltd (1898) 15 RPC 105, Ch D (refd)

Godrej Sara Lee Ltd v Siah Teong Teck & Anor (Part 1) [2007] 7 MLJ 153; [2007] 10 CLJ 255, HC (refd)

Godrej Sara Lee Ltd v Siah Teong Teck & Anor (Part 2) [2007] 7 MLJ 164; [2008] 7 CLJ 24, HC (refd)
Chandra Bhan Agarwal & Anor v Arjundas Agarwal & Ors AIR 1979 Cal 280, HC (refd)
Industria De Diseno Textile, SA v Edition Concept Sdn Bhd [2005] 3 MLJ 347; [2005] 2 CLJ 357, HC (refd)
Meidi-Ya Co Ltd, Japan & Anor v Meidi (M) Sdn Bhd [2009] 2 MLJ 14, FC (refd)
Parker-Knoll Limited v Knoll International Ltd [1962] RPC 265, HL (refd)
Phantom Trade Mark, Re [1978] RPC 245, CA (refd)
Regent Pumps Pty Ltd & Anor v Keylargo Industrial Sdn Bhd [2009] 2 CLJ 303, HC (refd)
Shell Company of Australia Limited, The v Rohm & Haas Company & Anor (1949) 78 CLR 601, HC (refd)
Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors [2004] 4 MLJ 358; [2004] 3 CLJ 815, CA (refd)

Legislation referred to

Courts of Judicature Act 1964 s 96(a)
Trade Marks Act 1938 [UK] ss 4(1), 4(4), 50(1)
Trade Marks Act 1955 [AU] ss 22(5), 28, 71(3)
Trade Marks Act 1958 [IND] s 112
Trade Marks Act 1976 ss 4, 10, 10(1), 14(1)(a), 19(3), 35(1), 37(a), 40(1), 40(1)(f), 45, 45(1)(a), 62, 62(1), (2), 73(1)
Trade Marks Regulations 1997 reg 26

Gopal Sri Ram (Harpal Singh Grewal, CK Lim, Hoo Lin Coln and Reny Rao with him) (Lin Coln & Co) in Civil Appeal No 02–7–03/2013(W) for the first to fourth appellants.
Suaran Singh (Irene Kam with him) in Civil Appeal No 02–13–03/2013(W) for the first and second appellants.
Mohd Hafrizam bin Harun (Wan Azmir Wan Majid, Aisha Mubarak, Choo Shi Jin and Nor Hazira Binti Abu Haiyan with him) (Hafarizam Wan & Aisha Mubarak) in Civil Appeal No 02–7–03/2013(W) for the intervener.
Cyrus Das (Suaran Singh, Irene Kam with him) (Suaran & Sankey) in Civil Appeal No 02–7–03/2013(W) for the first and second respondents.
Gopal Sri Ram (Harpal Singh Grewal, CK Lim, Hoo Lin Coln and Reny Rao with him) (Lin Coln & Co) in Civil Appeal No 02–13–04/2013(W) for the first to fourth respondents.
Annou Xavier (Azri, Lee Swee Seng & Co) in Civil Appeal No 02–13–04/2013(W) for the fifth respondent.
Mohd Hafrizam bin Harun (Wan Azmir Wan Majid, Choo Shi Jin and Nor Hazira bt Abu Haiyan with him) (Hafarizam Wan & Aisha Mubarak) in Civil Appeal No 02–13–04/2013(W) for the intervener.

Zulkefli CJ (Malaya) (delivering judgment of the court):

INTRODUCTION

[1] These are two appeal cases before this court. We heard them jointly. In the first case Civil Appeal No 02–7–03 of 2013(W) the appellants are the defendants and in the second case Civil Appeal No 02–13–04 of 2013(W) the appellants are the plaintiffs before the High Court. We shall refer to the parties as there were before the High Court. The appellants in both cases have obtained leave to appeal to the Federal Court against the decision of the Court of Appeal. On 11 February 2014 the Federal Court allowed the application by the Registrar of Trademarks ('the registrar') to intervene in these two appeals. The two questions of law posed to us in respect of the two appeals are as follows:

a Whether the evidence of the Registrar of Trademarks who had approved the registration of the defendant's mark after the commencement of the plaintiffs infringement suit is material to proving trademark infringement, in that the Registrar of Trademarks is the key witness to establishing likelihood of confusion.

b Whether it is a pre-requisite to name the Registrar of Trademarks or the Intellectual Property Corporation of Malaysia (MYIPO) as a party in a writ or statement of claim in an application to expunge or rectify the Register of Trade Marks; and if the answer is in the affirmative, whether the several decisions by the High Court ordering the expungement/rectification of the Register of Trademarks without insisting on the Registrar of Trademarks or MYIPO to be named a party in the suits are now bad in law (some of these cases are *Regent Pumps Pty Ltd & Anor v Keylargo Industrial Sdn Bhd* [2009] 2 CLJ 303 and *Godrej Sara Lee Ltd v Siah Teong Teck & Anor (Part 2)* [2007] 7 MLJ 164; [2008] 7 CLJ 24).

The first question is posed by the defendants in the first appeal and the second question is posed by the plaintiffs in the second appeal.

BACKGROUND FACTS

[2] The relevant background facts of the case may be summarised as follows:

(a) The first plaintiff is a company incorporated in Italy and is involved in the research, development and manufacturing of various pharmaceutical products. One of the products manufactured by the first plaintiff is a glucosamine sulphate based drug call Viartril-S used for the treatment of osteoarthritis.

(b) The first plaintiff's Viartril-S trademark was duly registered in Malaysia in Class 5 on 8 July 1976. The first plaintiff is the holder of the Product License for Viartril-S issued by the National Pharmaceutical Control Laboratory under the Ministry of Health, Malaysia. The product Viartril-S was registered with the Drug Control Authority (DCA), Ministry of Health on 12 July 1991.

(c) The second plaintiff is a company incorporated in Malaysia and has been the distributor appointed by the first plaintiff for the sale of Viartril-S in Malaysia based on a distribution agreement dated 15 May 1979

(d) The first defendant (Ho Tack Sien) is a pharmacist and was first employed by Antar Sri Radin Sdn Bhd, a related company of the second plaintiff on 2 March 1990. Until his dismissal by the second plaintiff on 6 June 2001, the first defendant had held the positions of sales executive cum pharmacist, product executive cum pharmacist, product manager and group product manager.

(e) On 21 May 2001 the second plaintiff issued a letter of suspension against the first defendant. The first defendant was required to attend a domestic inquiry on 28 May 2001 for serious breaches of confidentiality of information and for acting in conflict of interest against the second plaintiff. The first defendant was found guilty of the charges and he was dismissed from his employment.

(f) The second defendant (Chai Yuet Ying), the wife of the first defendant, is the third party in the suit having been added as a third party by the fourth defendant. The second defendant is also a pharmacist and was engaged by the second plaintiff on 15 April 1998 on a part-time basis to provide independent consultancy services on the registration of the second plaintiff's products with the DCA. On 21 May 2001 the second defendant's services were terminated by the second plaintiff.

(g) The third defendant (Advance Pharma Sdn Bhd) is a company incorporated by the second defendant together with the first defendant's father on 21 February 2001 with a paid up capital of RM50,000. The object of the third defendant company is to carry on business of chemists, druggists, pharmacists and dealers in all pharmaceutical, medicinal and orthopedic preparations. The third defendant is the registered owner of the Artril-250 trademark which was registered under the Trade Marks Act 1976 ('the Act') on 10 September 2002 and is the distributor and seller of Artril-250.

(h) The fourth defendant (Hovid Sdn Bhd) was the appointed contract manufacturer of Artril-250 for the second defendant.

(i) The fifth defendant (Schmidt Biomedtech Sdn Bhd) was and is the appointed distributor of Artril-250 produced by the third defendant.

(j) The sixth defendant (AV Manufacturing Sdn Bhd) was and is appointed manufacturer of Artril-250 to replace the fourth defendant when the contract of the fourth defendant expired. The sixth defendant was incorporated by the second defendant.

(k) The plaintiffs contended that all the defendants had infringed their intellectual property on Viartril-S, a product imported and distributed in Malaysia for more than 20 years. The plaintiffs alleged that the fifth and sixth defendants manufactured, distributed, sold or offered to sell the product under the name of Artril-250. It is similar to and bears a colourable and deceptive imitation of the first plaintiff's trademark and get-up.

FINDINGS OF THE HIGH COURT

[3] The plaintiffs filed the suit against the defendants and claimed, inter alia, for declaratory reliefs, injunctions and the name 'Advance Pharma' be removed from the Registry of Companies. After a full trial, the High Court held that the plaintiffs had proven their case on a balance of probabilities against the first, second, third, fifth and sixth defendants and accordingly entered judgment against these defendants together with interests and costs. However, the High Court dismissed the plaintiffs' claim against the fourth defendant. The third party claim against the second defendant by the fourth defendant was also struck off with no order as to costs. The defendants' counterclaim against the plaintiffs was also dismissed with costs.

[4] In his judgment, the learned judge of the High Court found that there was confusing similarity between Viartril-S mark and the Artril-250 mark after comparing them phonetically and visually. Based on such finding of facts, the learned judge held that there was passing off by the defendants of the plaintiffs' product as the plaintiffs had successfully established the necessary criteria for passing off in relation to the plaintiffs' goodwill and reputation in the trademark. There was also misrepresentation by the defendants and consequential to that the plaintiffs had suffered damage to its goodwill and reputation.

[5] The learned judge also found that the first and second defendants were not credible witnesses and based on the evidence during the trial, the judge held that the first and second defendants had breached their obligation of confidentiality. Further, the judge found that there was unauthorised use of confidential information by the first and second defendants.

FINDINGS OF THE COURT OF APPEAL

[6] The Court of Appeal affirmed the orders of the High Court save and except to set aside the prayers contained in paras (k), (l) and (m) of the orders of the High Court.

[7] The Court of Appeal affirmed the decision of the learned judge of the High Court based on his findings of facts. However, the Court of Appeal disagreed with the learned judge when he exercised his discretion and allowed the plaintiffs' claim to expunge an existing trademark registered by the defendants. The Court of Appeal was of the view that the defendants' product was registrable as a trademark under s 10 of the Act. The Act does not prohibit the registration of two or more trademarks which are identical or so nearly resembling each other.

[8] The Court of Appeal made reference to s 19(3) of the Act and held that it was the discretion of the registrar to refuse registration. Since the registrar proceeded with the registration, the registration was prima facie evidence of the validity of the defendants' trademark. The Court of Appeal also observed that the plaintiffs took no steps under s 28 of the Act to oppose the registration. Further, the Court of Appeal was of the view that the High Court ought to have received the evidence of the registrar before exercising his discretion to order the expungement of the defendants' trademark based on s 62 of the Act.

SUBMISSIONS OF THE DEFENDANTS

[9] Learned counsel for the respective defendants submitted that under s 4 of the Act the power to superintend all matters relating to trademarks is vested with the registrar. The principal functions of the registrar as provided for under the Act and its regulations includes giving preliminary advice to a person who proposes to apply for the registration of a trademark. Section 73(1) of the Act provides as follows.

> The power to give a person who proposes to apply for the registration of a trade mark in the Register advice as to whether the trademark appears to the registrar prima facie to be capable of distinguishing shall be a function of the registrar under this Act.

Regulation 26 of the Trade Marks Regulations 1997 provides as follows:

> After a search conducted as provided for in regulation 25, and after consideration of the application and of any evidence of use or distinctiveness or any other matter which the applicant may, or may be required to furnish, the registrar may accept the application absolutely, or he may object to it, or he may express his willingness to

A accept it subject to such conditions, amendments, modifications, or limitations as he may think right to impose.

[10] It was the defendants' contention that in an application for the registration of a trademark, the onus of proving that the mark is not calculated B to deceive or cause confusion lies on the applicant (see in the matter of *Dunn's Trade Mark* (1890) 7 RPC 311). In the instant case it was contended that the third defendant had discharged that burden of proof. It was not disputed by the plaintiffs that the application to register 'Artril-250' as a trademark was C approved after the commencement of the suit. The successful registration of 'Artril-250' evinced that the mark was not deceptively similar or likely to cause confusion when compared with the first plaintiff's mark 'Viatril-S'.

[11] It was further contended for the defendants that the registrar is entitled D to be heard in any legal proceedings relating to the trademarks registered on the Trademarks Register ('the register'). Section 62 of the Act provides as follows:

> (1) In any legal proceedings in which the relief sought includes alteration or rectification of the register, the registrar shall have the right to appear and be heard, and shall appear if so directed by the Court. E
>
> (2) Unless otherwise directed by the Court, the registrar, in lieu of appearing and being heard, may submit to the Court a statement in writing signed by him, giving particulars of the proceedings before him in relation of the matter in issue or of the grounds of any decision given by him affecting the same or of the practice of the F office in like cases, or of such other matters relevant to the issues, and within his knowledge as registrar, as he thinks fit, and such statement shall be deemed to form part of that evidence in the proceedings.

[12] It was submitted for the defendants that the plaintiffs' failure to call the G registrar to give evidence during the trial was fatal to the plaintiffs' case. This is because the power of the court to rectify or alter the register is subject to the provisions of the Act. Thus, the right of the registrar to be heard must be read into it. The registrar is a key witness in the instant case, in particular, having regard the fact that his decision to allow the registration of 'Artril-250' as a H trademark was made after the commencement of the suit. The plaintiffs' claim on passing-off should not succeed. It depended on the proof of likelihood of confusion.

[13] It was the defendants' case that by not calling the registrar to give I evidence at the trial of the suit, the plaintiffs must be taken to have admitted or conceded to the decision of the registrar in approving the registration of 'Artril-250' as a trademark. A proposed trademark cannot be registered unless it contains or consists of at least one of the particulars set out in s 10(1) of the Act which provides as follows:

(a) The name of an individual, company or firm represented in a special or particular manner;

(b) The signature of the applicant for registration or of some predecessor in his business;

(c) an invented word or words;

(d) A word having no direct reference to the character or quality of the goods or services not being, according to its ordinary meaning, a geographical name or surname; or

(e) any other distinctive mark.

[14] Learned counsel for the defendants also made an attempt before us to challenge the findings of facts. They were made by the trial judge and affirmed by the Court of Appeal. They were in respect of the infringement of the plaintiffs' trademark and the passing off by the defendants of the plaintiffs' product. It was impressed upon us to exercise our appellate powers to interfere with the findings of the trial judge on the ground that there had been non-consideration or insufficient judicial appreciation of material evidence and that the findings of the trial judge did not accord well with the probabilities of the case.

SUBMISSIONS OF THE PLAINTIFFS

[15] In reply, learned counsel for the plaintiffs submitted that there is no need to bring the registrar as a party to the suit when there is no cause of action against the registrar. The registrar has a right to appear if he deems fit or if the court requires his assistance.

[16] It was contended for the plaintiffs that the court has the power to expunge any mark that has been wrongfully registered or wrongly remaining on the register. Once the grounds for revocation or removal of a mark have been made out, the mark must be removed or expunged from the register.

[17] For the plaintiffs it was also argued that it is not for the registrar to refer any matter to the court. If there is a dispute as to identical marks, then it is for the registered proprietor or owner of the aggrieved mark to bring an action in court to resolve such dispute.

[18] The Court of Appeal made a finding that if the registrar has allowed the registration of two marks that are substantially identical, it then affords a defence to the subsequent registered mark (concurrent marks). On this point it was the plaintiffs' contention that this is only a defence if the concurrent mark was properly registered in the first place. Registration is not a defence in relation to marks that have been wrongfully entered on to the register. It is the

plaintiffs' case that a mark which is likely to deceive or cause confusion is a mark that should never have been and ought not to be registered in the first place. Once this finding has been made that mark ought to be removed or expunged from the register.

[19] As regards the defendants' attempt to be allowed to challenge the findings of fact made by the trial judge in respect of the infringement of the plaintiffs' trademark and the passing off by the defendants of the plaintiffs' product, learned counsel for the plaintiffs submitted that this court should not allow the defendants to do so. The parties should only confine their argument to the two questions of law posed before this court. Moreover it was impressed upon us that there were concurrent findings on those issues by the High Court and by the Court of Appeal. The findings of the trial judge on those issues were made after a first hand evaluation of the evidence of all the witnesses and other evidence related to the case. Therefore such findings should not be interfered with by an appellate court.

SUBMISSIONS OF THE INTERVENER

[20] Learned counsel for the registrar submitted before us that he was adopting and supporting the arguments advanced by the plaintiffs. The registrar took the position that there was no duty or obligation for the registrar to appear in any proceeding brought by any aggrieved party. The role of the registrar is administrative and quasi-judicial in nature. Learned counsel also submitted that the registrar is now before this court as the intervener merely to clarify and state its stand in view of the decision of the Court of Appeal in ruling that the High Court ought to have received the evidence of the registrar before exercising his discretion to order the expungment of the defendants' trademark based on s 62 of the Act.

DECISION

[21] At the outset we shall deal with the submissions of learned counsel for the defendants that the defendants be allowed to argue and challenge on the findings of fact made by the trial judge in respect of the infringement of the plaintiffs' trademark and the passing off by the defendants of the plaintiffs' product. With respect we do not think it should be allowed. The High Court made findings of facts on those issues and affirmed by the Court of Appeal.

[22] The submissions advanced by learned counsel for the defendants in support of those issues are in effect seeking a reversal of the findings of facts in this case on the infringement of the trademark by the defendants with the resultant consequential orders. In our view this would result in a complete re-hearing of the appeal on those issues and would be a complete disregard to

the provision of s 96(a) of the Courts of Judicature Act 1964 when leave to appeal to this court was granted. The two questions posed before this court when leave was granted have been couched to incorporate a point of law which if answered in the affirmative or negative has the effect of reversing the conclusions made by the Court of Appeal without any further evaluation of the evidence. It is the answers to those questions which must have the effect of reversing the conclusions made by the Court of Appeal and not the result of a review of the concurrent findings of facts made earlier on. The questions posed must also relate to a matter in respect of which a determination has been made by the Court of Appeal (see the case of *Meidi-Ya Co Ltd, Japan & Anor v Meidi (M) Sdn Bhd* [2009] 2 MLJ 14). We therefore rule that the defendants should only be allowed to confine their arguments on the two questions of law posed before this court.

[23] We shall now deal with the two questions of law posed before this court. The present two appeals raised the issue of the proper role of the registrar in rectification and expungement proceedings under s 45 of the Act. Section 45 of the Act provides as follows:

> Subject to the provisions of this Act:
>
> (a) the Court may on the application in the prescribed manner of any person aggrieved by the non-insertion in or omission from the Register of any entry or by any entry made in the Register without sufficient cause or by any entry wrongfully remaining in the Register, or by any error or defect in any entry in the Register, make such order for making, expunging or varying such entry as it thinks fit;
>
> (b) the Court may in any proceeding under this section decide any question that may be necessary or expedient to decide in connection with the rectification of the Register;
>
> (c) in case of fraud in the registration, assignment or transmission of a registered trademark or if in his opinion it is in the public interest to do so, the registrar may himself apply to the Court under this section;
>
> (d) an order of the Court rectifying the Register shall direct that notice of the rectification be served on the registrar in the prescribed manner and the registrar shall upon receipt of the notice rectify the Register accordingly.

[24] We are of the view there is no necessity to bring in the registrar as a party to the suit where there is no cause of action against the registrar. The registrar has the right to appear if he deems fit or if the court requires his assistance in the determination of issues before the court relating to his scope of functions and duties. There are no statutory provisions which require the registrar to be made a party to a rectification and expungement proceedings under the Act. Section 45 of the Act is silent on this.

[25] We are of the view that neither the court nor the registrar has the discretion to allow a mark that has been wrongfully registered to continue to remain on the register. Once the grounds for revocation or removal of a mark have been made out, the mark must be removed or expunged from the register. It is not the duty of the registrar to refer any matter to the court. If there is a dispute as to identical marks, then it is for the registered proprietor or owner of the aggrieved mark to bring an action in court to resolve the dispute.

[26] The defendants relied heavily on the Court of Appeal's decision that under s 62(1) of the Act, the registrar should have been made a party or at the very least summoned to give evidence to the court. With respect, we are of the view the remedy of removal or expungement of a trademark from the register is not dependent on s 62(1) of the Act. Section 62(1) of the Act accords the right to the court to call the registrar if the court so requires his assistance and further gives the registrar a right to appear if he wishes to do so. It should also be noted that s 62(2) of the Act further provides that unless otherwise directed by the court, the registrar, in lieu of appearing and being heard, may submit to the court a statement in writing signed by him and such statement shall be deemed to form part of the evidence in court. On this point reference can be made to the case of *Godrej Sara Lee Ltd v Siah Teong Teck & Anor (Part 1)* [2007] 7 MLJ 153; [2007] 10 CLJ 255 wherein Ramly Ali J (as he then was) expressed the view that this provision allows the registrar to appear in court if the registrar chooses to do so and he shall appear if the court so directs him. The learned judge was also of the view that s 62(2) of the Act further illustrates that the registrar's appearance in court is merely to assist the court whenever such assistance is required. Therefore, s 62 of the Act clearly cannot be read to mean that the registrar ought to be made a party to the action.

[27] On the contention of the defendants and in support of the findings of the Court of Appeal that once a mark is registered by the registrar, it is prima facie a valid trademark, we are of the view that this is a rebuttable presumption. Once evidence is shown that the registered mark is invalid and should not have been registered in the first place the natural remedy would be to remove the invalid mark from the register. Registration is therefore not a defence in relation to marks that have been wrongfully entered on to the register. On this point we would refer to the case of *Industria De Diseno Textile, SA v Edition Concept Sdn Bhd* [2005] 3 MLJ 347; [2005] 2 CLJ 357 where it was held that even where a trademark has been properly registered, s 45(1)(a) of the Act empowers the court to expunge or vary such a trademark in the event that it becomes confusing as a result of events subsequent to the initial registration.

[28] We are of the view that the decision of the Court of Appeal to hold that the registrar should be made a party or heard in evidence before a rectification could be made, was not, with respect, in accord with the statutory provisions

under the Act or its regulations. Such an approach adopted by the Court of Appeal would place the registrar in an invidious position of participating in the proceedings in favour of one side or the other, and would destroy the neutrality of his office.

[29] Further, we are of the view that even if the registrar gives evidence, the determination of whether there is likelihood of confusion still lies with the court. The question of whether there is a real likelihood of deception of the public is ultimately one for the court to decide as aptly put by Lord Hodson in the case of *Parker-Knoll Limited v Knoll International Ltd* [1962] RPC 265 (HC) at p 285 as follows:

> All relevant circumstances must be taken into account, and the question whether or not there is a real likelihood of deception of the public is ultimately for the court and not for the witnesses to decide: see *Spalding & Bros v Gamage Ltd* (1915) 32 RPC 286 per Lord Parker of Waddington: There may, of course, be cases of so doubtful a nature that a judge cannot properly come to a conclusion without evidence directed to the point; but there can be no doubt that in a passing-off action the question whether the matter complained of its calculated to deceive ,in other words, whether it amounts to a misrepresentation, is a matter for the judge, who looking at the documents and evidence before him, comes to his own conclusion, and to use the words of Lord Macnaghten in *Payton & Co Ltd v Snelling, Lampard & Co Ltd* (1990) 17 RPC 635, must not surrender his own independent judgment to any witness whatever. (Emphasis added.)

[30] It is to be noted that the position as regards the registrar's participation in the infringement of trademarks proceedings is the same as in the United Kingdom ('UK'), Australia and India where there are trademark legislations similar to ours. A reference to Kerly's *Trade Marks and Trade Names* (12th Ed) at p 207 shows that in UK under s 50(1) of the English Trade Marks Act 1938 (which is in pari materia with s 62(1) of the Act) the registrar's attendance in court is not necessary unless so ordered by the court.

[31] In *Bacardi Trade Mark* [1965] RPC 28, the applicant for rectification proceedings asked that pursuant to s 50(1) of the English Trade Marks Act 1938, the registrar should be directed to appear so that they could obtain discovery against him to ascertain who had induced the registrar to make alterations to the register. The English High Court held that the registrar should enter appearance. The registrar appeared to give discovery but stated through the Treasury Solicitor that it was not the normal practice of the registrar to appear in proceedings in which the issue was a dispute between two parties as to proprietorship of a trademark. It was held that the registrar's appearance was necessary as the registrar's evidence was crucial in determining who made the application to change the address and assign the trademarks to the respondent.

[32] In Australia, s 22(5) of the Australian Trade Marks Act 1955 provides that in rectification proceedings, a notice of the application must be given to the registrar who may appear and be heard and must appear if so directed by the court. There is no statutory requirement for the registrar to be made a party to the proceedings. The High Court of Australia in the case of *The Shell Company of Australia Limited v Rohm & Haas Company & Anor* (1949) 78 CLR 601 unanimously held that the registrar should not be made a party to an application for rectification but notice of such application should be given to him under s 71(3) of the Australian Trade Marks Act 1955.

[33] In India, in interpreting s 112 of the Indian Trade Marks Act 1958 (which is in pari materia with our s 62(1) of the Act), the *Chandra Bhan Agarwal & Anor v Arjundas Agarwal & Ors* AIR 1979 Cal 280, inter alia, stated that the registrar had the right to appear and be heard in any legal proceeding before the High Court in which the relief sought for included alteration or rectification of the register. The Indian High Court went on to say that it was however not essential that the registrar should be made a party to the proceedings and it would be sufficient compliance with the section if he was given the requisite notice and opportunity to appear before the court and present his case if so advised.

[34] In this first appeal although the Court of Appeal agreed with the High Court on deception and that the defendants' mark was confusingly similar to the plaintiffs' mark, it withheld sanctioning the expungement of the offending mark. It is our judgment that the Court of Appeal came to this erroneous finding due to an over-reliance on the decision in the case of *Re Phantom Trade Mark* [1978] RPC 245. The Court of Appeal had misconstrued that decision and applied it more widely than it warranted. That decision was confined to its facts and not intended to lay down any general proposition with regard to the role of the registrar in expungement proceedings.

[35] It is also noted on its facts that the case of *Phantom Trade Mark* was concerned with the previous assignment of a registered trademark. The law in England had changed with regard to assignment of associated marks by the time the current dispute arose. Under the previous law, there was no statutory provision governing assignment of associated marks, and everything depended on the registrar's practice. Thus Goff LJ observed at p 249 of the case as follows:

> In the old Act of 1905 there was no provision enabling the registrar to dissolve association of associated marks, and, therefore, no machinery by which, in a proper case, the assignment of one of a number of associated trademark could be authorized. It was, therefore, as I understand it, the practice of the registrar – as I say, in a proper case – to allow such an assignment to be registered and to regularize the position by treating the continuation of the association between the assigned mark and the other marks which had formerly been in the group as an entry wrongly

continuing to be upon the register, and he then rectified the register by dissolving the association. A

[36] We are of the view it was in that context that Goff LJ made his conclusion in the *Phantom Trade Mark's* case about reliance on the practice of the registrar which the Court of Appeal had erroneously construed as a statement of general principle. The said passage from the judgment of Goff LJ is reproduced herein for convenience: B

> In the present case I would have thought that the reasons advanced by Colt for exercising that discretion in favour of allowing the entry to stand, are such that if it were necessary we ought so to exercise our discretion. He relied first upon the good faith of Colt; their genuine interest in the mark; that the use of the mark has continued to this day; that the parties have to rely upon the practice of the registrar, which Colt did; that there was no evidence that there was anybody deceived or likely so to be; that it was not in the public interest to rectify the register; and Chrysler had now completely lost interest in the whole matter. For these reasons, had I reached the conclusion that the entry was bad, for my part I would in the exercise of discretion, nevertheless allow it to stand. C D

[37] It could be seen from the above excerpt that the practice of the registrar in the exercise of the discretion by the court turned on the peculiar facts of the case where under the previous Act relied on by the defendant there was no provision for registration of associated marks but depended wholly on the practice of the registrar. In our view this became a relevant factor for the exercise of Goff LJ's discretion on the facts of that case. E F

[38] We also noted that one of the grounds relied on by the Court of Appeal to suggest the wrongful exercise of discretion by the High Court was the reliance on s 40(1)(f) of the Act. The Court of Appeal disagreed with the previous decision of the Court of Appeal in *Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors* [2004] 4 MLJ 358; [2004] 3 CLJ 815 on the application of the said section and instead held it as a further ground on which the registrar should be heard. Section 40(1)(f) of the Act provides as follows: G H

> Notwithstanding anything contained in this Act, the following acts do not constitute an infringement of a trademark–
>
> (f) the use of a trademark, which is one of two or more registered trademarks which are substantially identical, *in exercise of the right to the use of that trade mark given by registration as provided by this Act*. (Emphasis added.) I

[39] Although s 40(1) of the Act begins with the words 'notwithstanding …'. it is a general principle that a non-obstante clause cannot go outside the limits of the Act itself. We are in agreement with the contention of the plaintiff that

non-obstante clause is subject to the limitations contained in the section and cannot be read as excluding the whole Act and standing by itself. The principle was stated by the Indian Supreme Court in *AG Varadarajulu & Anor v State of Tamil Nadu & Ors* AIR 1998 SC 1388 at para [16] as follows:

> *It is well settled that while dealing with a non-obstante clause under which the legislature wants to give overriding effect to a section, the Court must try to find out the extent to which the legislature had intended to give one provision overriding effect over another provision.* Such intention of the legislature in this behalf is to be gathered from the enacting part of the section. In *Aswini Kumar v Arbinda Bose* AIR 1952 SC 369, Patanjali Sastri J observed: The enacting part of a stature must, where it is clear, be taken to control the non-obstante clause where both cannot be read harmoniously.' In *Madhav Rao Scindia v Union of India* [1971] 1 SCC 85 (at 139): (AIR 1971 SC 530 Hidayatullah, CJ observed that the non-obstante clause is no doubt a very potent clause intended to exclude every consideration arising from other provisions of the same statute or other statute but for that reason alone we must determine the scope of that provision strictly. *When the section containing the said clause does not refer to any particular provisions which it intends to override but refers to the provisions of the statute generally, it is not permissible to hold that it excludes the whole Act and stands all alone by itself. A search has, therefore, to be made with a view to determining which provisions answers the description and which does not.* (Emphasis added.)

[40] Accordingly, it is our view that s 40(1)(f) of the Act only applies to a right to use a mark that has been duly registered under the Act. It is therefore tied to s 35(1) of the Act which governs the rights given by registration. It reads:

> (1) Subject to the provisions of this Act, the registration of a person ... as registered proprietor of a trade mark (other than a certification trade mark) in respect of any goods or services shall, *if valid*, give or be deemed to have been given to that person the exclusive right to the use of the trade mark in relation to those goods or services subject to 26 any conditions, amendments, modifications or limitations entered in the Register. (Emphasis added.)

[41] It follows that the defence under s 40(1)(f) of the Act must necessarily be subject to s 35(1) of the Act and other provisions therein. The defendants could use the registered trademark only if it was validly registered. If it were otherwise, s 40(1)(f) of the Act could override such registration of marks obtained by fraud under s 37(a) of the Act or a trademark obtained which was contrary to law under s 14(1)(a) of the Act and thus provide a valid defence thereof. In our view this cannot be the intention of the Legislature.

[42] On the correct interpretation and application of s 40(1)(f) of the Act, the Court of Appeal in *Sinma Medical Products v Yomeishu* had rightly held that s 40(1)(f) of the Act did not afford a defence in relation to marks which were wrongfully entered on the register. His Lordship Nik Hashim, JCA (as he then was) on this point at pp 369–370 had this to say:

As the relief of rectification was rightfully ordered by the learned judge, the respondents are entitled as of right to the injunction as the appellant's trademark ought never to have been on the register. Since the appellant's trademark was wrongly entered on the register, s 40(1)(f) therefore affords no defence to the appellant.

[43] Learned author of Kerly's *Law of Trade Marks and Trade Names* (12th Ed) at p 303 states that under s 4(4) of the English Trade Marks Act 1938 (which is substantially similar with s 40(1)(f) of the Act) only a valid registration gives rights under s 4(4). The subsection states 'the right to the use of the defendant's mark given by registration'. But it refers back to s 4(1) of the English Trade Marks Act 1938 which gives rights only to a valid mark. The learned author goes on to observe that if the defendant's registration can be shown to be invalid and thus expunged it will not protect him in the future. Accordingly, if a defendant pleads a registered mark in defence, the plaintiff should apply for rectification of the register by removing or limiting the defendant's registration.

[44] In *The Eastman Photographic Materials Company, Ltd & Anor v The John Griffiths Cycle Corporation, Ltd and the Kodak Cycle Company, Ltd* (1898) 15 RPC 105, the plaintiffs alleged that the defendant had infringed the plaintiffs' trademarks by using the defendant's registered trademark. The plaintiffs also applied to expunge the defendant's trademark. His Lordship Romer J expunged the defendant's trademark as being calculated to deceive.

[45] Useful reference may also be made to the case of *Berlei (UK) Ltd v Bali Brassiere Co Inc* [1970] RPC 469 at p 478 wherein Megarry J held that s 4(4) of the English Trade Marks Act 1938 must be read together with s 4(1). Therefore, the defence under s 4(4) is afforded only to a proprietor of a trademark registration which is valid. In that case, Megarry J said that since one of the defendant's registrations had been expunged by the House of Lords in an earlier proceeding, the defendant could not claim the protection of that particular registration.

CONCLUSION

[46] For the reasons abovestated we would answer in the negative the first question posed by the defendants in the first appeal. As for the second question posed by the plaintiffs in the second appeal we also answer it in the negative. We hereby set aside for the same foregoing reasons the order of the Court of Appeal that the defendants' product was registrable as a trademark under s 10 of the Act. Accordingly the appeal by the plaintiffs (the second appeal) is allowed with costs. The appeal by the defendants (the first appeal) is dismissed with costs. Deposits to be refunded to the respective parties.

A *Plaintiffs' appeal allowed, defendants' appeal dismissed and COA's order that defendants' mark was registrable under s 10 of the TMA set aside.*

Reported by Ashok Kumar

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